

*WASHINGTON, DC (December 15, 2010) – Today Rep. Jan Schakowsky (D-IL) and Sen. Dianne Feinstein (D-CA) introduced companion legislation to prevent insurance companies from implementing unfair health insurance rate increases.*

The Health Insurance Rate Authority Act of 2011 would give the U.S. Secretary of Health and Human Services the authority to deny or modify premium or rate increases that are found to be excessive, unjustified, or unfairly discriminatory.

“Thanks to the Affordable Care Act, we’re ending health industry abuses like pre-existing condition exclusions and gender-rating, but we must go further to protect the American health care consumer,” said Rep. Schakowsky. “Big insurance has painfully demonstrated its willingness to burden families, individuals, and small businesses – raising premiums over 90% between 2000 and 2008 though medical inflation rose by only 39. Corporate greed is the only explanation for those rate hikes. One place where big insurers remain in the driver’s seat is with the setting of premiums. Millions of Americans live in states, like Illinois, where no independent reviewer has the authority to deny exorbitant rate increases. Our bill would fix that. Big insurance isn’t backing down and we can’t either.”

This legislation would ensure that people in all states have access to a meaningful rate review

process to protect them from unfair increases. At least 33 states give their Insurance Commissioners some type of authority to review or regulate premium hikes and other rate charges. Neither California nor Illinois are among those states.

“Health insurance premiums have been spiraling upwards at out-of-control rates, climbing 10, 20, even 30 percent each year. All the while, big health insurance companies continue to enjoy sky-high profits, cashing in on those sharp rate hikes while at the same time reducing the amount they spend on medical care,” said Senator Feinstein. “I’ve heard from hundreds of constituents who live day-to-day, making tough choices just to pay their medical bills. Without further legislative action, health insurance companies will continue to do what they have done for far too long: put profits ahead of people.”

### **Bill highlights:**

- Gives the Secretary of Health and Human Services the authority to modify or block health insurance rates deemed excessive, unjustified, or unfairly discriminatory in states where insurance commissioners do not have authority or that authority is not exercised. This could include blocking an increase, adjusting an increase, or providing rebates to consumers.

- Requires the Secretary of Health and Human Services to work with the National Association of Insurance Commissioners and other consumer groups when reviewing rates and implementing corrective action.

- State laws that are more protective than the federal law would not be affected.

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